

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MUHLENBERG COUNTY)	
WATER DISTRICT #3 TO CONSTRUCT,)	CASE NO. 94-125
FINANCE, AND ADJUST RATES)	

O R D E R

On March 31, 1994, Muhlenberg County Water District #3 ("Muhlenberg County") submitted an application with the Commission seeking approval of its proposed water system improvements and capital expenditures, financing and an increase in water rates. The proposed financing consists of a five-year loan in the amount of \$200,000. The application was considered filed on June 14, 1994, when all deficiencies were cured.

KRS 278.300 provides that the Commission shall have 60 days after filing to consider applications for authority to issue or assume securities or evidence of indebtedness unless it is necessary for good cause to continue the application for a longer time than 60 days. In this proceeding, required information concerning the details of the improvements to be financed by the loan will not be made a part of the record prior to expiration of the 60-day period for review of the financing portion of the application. Since the proposed financing is contingent upon regulatory approval for the system improvements, it would be premature for the Commission to grant authority to incur the indebtedness when no ruling has been made on the project.

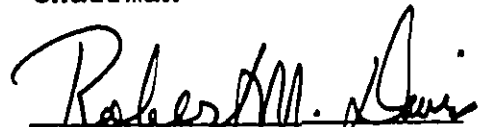
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

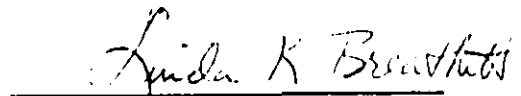
IT IS THEREFORE ORDERED that Muhlenberg County's application for authorization to incur additional indebtedness be and it hereby is continued beyond the 60-day period specified in KRS 278.300(2), pending a ruling on Muhlenberg County's request for a Certificate of Convenience to Construct.

Done at Frankfort, Kentucky, this 9th day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director